

MAY 19 2008

AO 245E (Rev. 12/03) Judgment in a Criminal Case for Organizational Defendants
Sheet 1

UNITED STATES DISTRICT COURT

JAMES R. LARSEN, CLERK
DEPUTY
RICHLAND, WASHINGTON

EASTERN

District of

WASHINGTON

UNITED STATES OF AMERICA

V.

ANIMAL PHARMACEUTICALS, INC.,

Date of Original Judgment: 2/26/08
*Modification of Restitution Order
(18 U.S.C. Section 3664)

JUDGMENT IN A CRIMINAL CASE

(For Organizational Defendants)

* AMENDED

CASE NUMBER: 2:06CR02116-001

Ellen McLaughlin

Defendant Organization's Attorney

THE DEFENDANT ORGANIZATION:

☒ pleaded guilty to count(s) 1 of the Information☐ pleaded nolo contendere to count(s) _____
which was accepted by the court.☐ was found guilty on count(s) _____
after a plea of not guilty.

The organizational defendant is adjudicated guilty of these offenses:

Title & Section	Nature of Offense	Offense Ended	Count
21 U.S.C. § 331(k)	Conspiracy to Misbrand a Drug While Held for Sale	10/20/2005	1sss

The defendant organization is sentenced as provided in pages 2 through 1 of this judgment.☐ The defendant organization has been found not guilty on count(s) _____☒ Count(s) All Remaining Counts ☐ is ☒ are dismissed on the motion of the United States.

It is ordered that the defendant organization must notify the United States attorney for this district within 30 days of any change of name, principal business address, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant organization must notify the court and United States attorney of material changes in economic circumstances.

2/13/2008

Date of Imposition of Judgment

Signature of Judge

The Honorable Edward F. Shea

Judge, U.S. District

Name of Judge

Title of Judge

Date

5/19/08

DEFENDANT ORGANIZATION: ANIMAL PHARMACEUTICALS, INC.,
CASE NUMBER: 2:06CR02116-001

PROBATION

The defendant organization is hereby sentenced to probation for a term of :
five years

The defendant organization shall not commit another federal, state or local crime.

If this judgment imposes a fine or a restitution obligation, it is a condition of probation that the defendant organization pay in accordance with the Schedule of Payments sheet of this judgment.

The defendant organization must comply with the standard conditions that have been adopted by this court as well as with any additional conditions on the attached page (if indicated below).

STANDARD CONDITIONS OF SUPERVISION

- 1) within thirty days from the date of this judgment, the defendant organization shall designate an official of the organization to act as the organizations's representative and to be the primary contact with the probation officer;
- 2) the defendant organization shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 3) the defendant organization shall notify the probation officer ten days prior to any change in principal business or mailing address;
- 4) the defendant organization shall permit a probation officer to visit the organization at any of its operating business sites;
- 5) the defendant organization shall notify the probation officer within seventy-two hours of any criminal prosecution, major civil litigation, or administrative proceeding against the organization;
- 6) the defendant organization shall not dissolve, change its name, or change the name under which it does business unless this judgment and all criminal monetary penalties imposed by this court are either fully satisfied or are equally enforceable against the defendant's successors or assignees; and
- 7) the defendant organization shall not waste, nor without permission of the probation officer, sell, assign, or transfer its assets.

DEFENDANT ORGANIZATION: ANIMAL PHARMACEUTICALS, INC.,
CASE NUMBER: 2:06CR02116-001

Judgment—Page 3 of 7**SPECIAL CONDITIONS OF SUPERVISION**

14. Defendant shall provide the supervising probation officer with access to any requested financial information, including authorization to conduct credit checks and obtain copies of defendant's Federal income tax returns. Defendant shall disclose all assets and liabilities to the supervising probation officer. Defendant shall not transfer, sell, give away, or otherwise convey any major asset (not including those items in inventory), without the advance approval of the supervising probation officer.
15. Defendant shall surrender or make available for review, any documents and/or business records, requested by the supervising probation officer.
16. Defendant shall not incur any new debt, open additional lines of credit, or enter into any financial contracts, without the advance approval of the supervising probation officer and if the Court imposed restitution payment plan is not current. If defendant is current with the payment plan, no advance approval is required.
17. Defendant shall submit to a search, conducted by a U.S. probation officer, at a sensible time and manner, based upon reasonable suspicion of contraband or evidence of violation of a condition of supervision. Failure to submit to search may be grounds for revocation. Defendant shall warn persons with whom defendant shares a residence that the premises may be subject to search.
18. Defendant shall within 120 days after sentencing, develop and implement a policy and procedure for timely reporting to appropriate government officials any suspected or possible violation of law in connection with animal pharmaceuticals. Prior to implementation, this policy and procedure is to be reviewed with the supervising probation officer.
19. Defendant shall within 120 days after sentencing, develop and implement a policy and procedure that protects employees who report suspected violations of the law from corporate retaliation. Prior to implementation, this policy and procedure is to be reviewed with the supervising probation officer.
20. Defendant shall within 120 days of sentencing, provide written notice to all employees of the charge of conviction, the term of supervision, the conditions of supervision, and the name and telephone number of the supervising probation officer. This notice will be signed by each employee and retained in that employee's personnel file. All future employees shall receive the same notification at the time of hiring. The written notice shall be developed in cooperation with the supervising probation officer.
21. Defendant shall notify the supervising officer prior to the implementation, modification, or termination of any policy or procedure addressing animal pharmaceuticals. Defendant shall review with the supervising officer any changes in policy and procedure prior to the implementation of those changes.

DEFENDANT ORGANIZATION: ANIMAL PHARMACEUTICALS, INC.,
CASE NUMBER: 2:06CR02116-001**CRIMINAL MONETARY PENALTIES**

The defendant organization must pay the following total criminal monetary penalties under the schedule of payments on Sheet 4.

	<u>Assessment</u>	<u>Fine</u>	<u>Restitution</u>
TOTALS	\$ 125.00	\$ 187,410.50	\$ 312,589.50

☒ The determination of restitution is deferred until 4/30/2008. An *Amended Judgment in a Criminal Case* (AO 245C) will be entered after such determination.

☒ The defendant organization shall make restitution (including community restitution) to the following payees in the amount listed below.

If the defendant organization makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid before the United States is paid.

<u>Name of Payee</u>	<u>Total Loss*</u>	<u>Restitution Ordered</u>	<u>Priority or Percentage</u>
Arwana	\$239.80	\$239.80	
Cascade	\$221.20	\$221.20	
Harrold Bros Dairy	\$440.00	\$440.00	
Whetzel	\$129.48	\$129.48	
Baldwin	\$4,218.97	\$4,218.97	
Lopes	\$476.40	\$476.40	
Spencer	\$2,113.70	\$2,113.70	
Haumont	\$2,064.00	\$2,064.00	
Schoen	\$2,996.38	\$2,996.38	
Valencia	\$322.31	\$322.31	
Para	\$10,394.11	\$10,394.11	
TOTALS	\$ 312,589.50	\$ 312,589.50	

☒ Restitution amount ordered pursuant to plea agreement \$ _____

☐ The defendant organization shall pay interest on restitution or a fine of more than \$2,500, unless the restitution or fine is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 4 may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).

☒ The court determined that the defendant organization does not have the ability to pay interest, and it is ordered that:

☒ the interest requirement is waived for the ☒ fine ☒ restitution.

☐ the interest requirement for the ☐ fine ☐ restitution is modified as follows:

* Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996.

DEFENDANT ORGANIZATION: ANIMAL PHARMACEUTICALS, INC.,
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ADDITIONAL TERMS FOR CRIMINAL MONETARY PENALTIES

Payments regarding restitution owing to victim Van De Graaf:

Van De Graaf Ranches

Make check payable to Van De Graaf Ranches, Re: Noyes/API payment.

Mail to:

Lawrence E. Martin

Velikanje Halverson, P.C.

P.O. Box 22550

Yakima, WA. 98907

Payments regarding restitution owing to victim Arstein:

Make check payable to Lukins and Annis, Re: Mark Arstein, L.L.C.; Noyes/API payment

Mail to:

Lukins and Annis Law Firm

Attn: Trevor Pincock, Attorney

717 W. Sprague

Spokane, WA. 99201

Payments regarding restitution owing to victim Curtis Feed Lot:

Make check payable to Curtis Feedlot, Re: Noyes/API payment

Mail to:

Toni Meacham, Attorney

Attorney Law Firm

1420 Scootney Road.

Connell, WA 99326

DEFENDANT ORGANIZATION: ANIMAL PHARMACEUTICALS, INC.,
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<u>Name of Payee</u>	<u>Total Loss*</u>	<u>Restitution Ordered</u>	<u>Priority or Percentage</u>
Reata	\$211.75	\$211.75	
Adams	\$719.40	\$719.40	
Van De Graaf	\$53,107.36	\$53,107.36	
Arstein	\$95,136.92	\$95,136.92	
Curtis	\$139,797.72	\$139,797.72	



A large, dense, black and white image showing a close-up of a textured surface, possibly a book cover or a piece of fabric, with a vertical crease or fold visible in the center. The texture is highly detailed, with many small, dark, irregular shapes and lines. The lighting is uneven, with the left side being slightly brighter than the right side. The overall appearance is that of a high-contrast, grainy photograph.



* Findings for the total amount of losses are required by Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996.

DEFENDANT ORGANIZATION: ANIMAL PHARMACEUTICALS, INC.,
CASE NUMBER: 2:06CR02116-001Judgment — Page 7 of 7**SCHEDULE OF PAYMENTS**

Having assessed the organization's ability to pay, payment of the total criminal monetary penalties are due as follows:

- A ☐ Lump sum payment of \$ _____ due immediately, balance due
- ☐ not later than _____, or
☐ in accordance with ☐ C or ☐ D below; or
- B ☐ Payment to begin immediately (may be combined with ☐ C or ☐ D below); or
- C ☐ Payment in _____ (e.g., equal, weekly, monthly, quarterly) installments of \$ _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after the date of this judgment; or
- D ☒ Special instructions regarding the payment of criminal monetary penalties:

Commencing no later than September 1, 2008 payments are as follows:
\$3,000.00 each month for the first year
\$5,000.00 each month for the second year
\$8,000.00 each month for the third year
\$13,833.33 each month thereafter until the total payments amount to \$500,000.00.

All criminal monetary penalties are made to the clerk of the court.

The defendant organization shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

☒ Joint and Several

Defendant and Co-Defendant Names and Case Numbers (including defendant number), Total Amount, Joint and Several Amount, and corresponding payee, if appropriate.

Bruce Noyes, CR-06-2116-EFS-03 \$312,589.50 for restitution and \$187,410.50 for fine for a total amount owing of \$500,000.00.

- ☐ The defendant organization shall pay the cost of prosecution.
- ☐ The defendant organization shall pay the following court cost(s):
- ☐ The defendant organization shall forfeit the defendant organization's interest in the following property to the United States:

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) penalties, and (8) costs, including cost of prosecution and court costs.